

## Message Text

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ACTION EB-08

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INFO AMCONSUL MONTREAL

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E.O. 11652: N/A

TAGS: ETEL, CA

SUBJECT: BORDER TV - MINISTER SAUVE'S SPEECH IN TORONTO

REF: TORONTO 1271

1. DURING LUNCHEON CONVERSATION WITH ROBIN QUINN, DIRECTOR FOR GOVERNMENT AND PUBLIC RELATIONS OF THE CANADIAN ASSOCIATION OF BROADCASTERS (C.A.B.), WE ASKED FOR HIS VIEWS ON SPEECH COMMUNICATIONS MINISTER SAUVE GAVE AT MEETING C.A.B. HOSTED FOR US COUNTERPART, THE NATIONAL ASSOCIATION OF BROADCASTERS (N.A.B.) AT TORONTO JUNE 29 (REFTEL).

2. QUINN WAS CLEARLY VERY DISPLEASED WITH MINISTER'S PRESENTATION. AFTER CONSIDERABLE EFFORTS MADE BY C.A.B. TO ESTABLISH CLOSER, COOPERATIVE TIES WITH ITS US COUNTERPART, MADAME SAUVE'S PRESENTATION THREATENED TO UNDO MUCH OF THE WORK ACCOMPLISHED. IT IS SIGNIFICANT, HOWEVER, THAT QUINN'S COMPLAINTS ABOUT THE SPEECH WERE NOT REPEAT NOT RELATED TO ITS CONTENT -- THAT IS, THAT ADVERTISING REVENUES IN CANADA SHOULD BE RESERVED TO CANADIAN BROADCASTERS.

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CASTERS AND THAT IF BILL C-58 IS NOT EFFECTIVE, OTHER MEANS WILL BE FOUND TO TRANSFER REVENUES BACK TO CANADA. HE COMPLAINED INSTEAD THAT THE SPEECH WAS NOT DIPLOMATIC ENOUGH; THE MINISTER COULD HAVE MADE THE SAME POINTS (WITH WHICH THE CANADIAN BROADCASTERS AGREE) WITHOUT BEING SO BLUNT, HE SAID.

3. QUINN POINTED OUT TO EMBOFF THAT C-58 WAS A SIMPLE TRADE OFF FOR CANADIAN BROADCASTERS. IT IS REQUIRED TO BALANCE THE CANADIAN GOVERNMENT'S "CANADIAN CONTENT" RULE (THIS REQUIRES THAT 60 PERCENT OF PROGRAMMING BROADCAST BY CANADIAN BROADCASTERS IN PRIME TIME MUST BE OF CANADIAN ORIGIN). SINCE THE CANADIAN CONTENT RULE PUTS CANADIAN BROADCASTERS AT A DISADVANTAGE VIS-A-VIS CANADIAN CABLE OPERATORS AND THE SIGNALS OF US BROADCASTERS CARRIED BY THE CANADIAN CABLE OPERATORS IN SELLING ADVERTISING TIME (THE CANADIAN VIEWERS PREFER TO WATCH US PROGRAMS), SOMETHING WAS NEEDED TO GET ADVERTISING BACK ONTO THE CANADIAN STATIONS; C-58 WAS ENACTED TO ACHIEVE THAT PURPOSE. AS LONG AS THE CANADIAN CONTENT RULE REMAINS IN FORCE, THE CANADIAN BROADCASTERS NEED C-58, HE POINTED OUT.

4. COMMENT: THE MINISTER'S SPEECH AT TORONTO AND QUINN'S REACTION TO IT REINFORCES OUR UNDERSTANDING FROM NUMEROUS GOVERNMENT AND INDUSTRY CONTACTS OVER THE PAST YEAR THAT C-58 IS AN INTEGRAL PART OF CANADIAN BROADCASTING POLICY WHICH WILL BE WITH US INDEFINITELY. IN ADDITION, THE SPEECH CONFIRMED THE VIEW WE HAVE FORMED THAT IF C-58 DOES NOT PROVE EFFECTIVE IN REPATRIATING CANADIAN ADVERTISING REVENUES, THEN OTHER MEASURES WILL BE INTRODUCED TO WORK TOWARD THAT GOAL. AT PRESENT, INFORMED REPORTS INDICATE C-58 IS PROBABLY PRODUCING SATISFACTORY RESULTS, FROM THE CANADIAN POINT OF VIEW, IN ALL BUT THE VANCOUVER, LIMITED OFFICIAL USE

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BRITISH COLUMBIA AREA. IN THAT MARKET, REPORTS HERE INDICATE THAT RATE-CUTTING BY US STATION KVOS HAS CANCELLED OUT THE EFFECT OF BILL C-58 TO SUCH AN EXTENT THAT EVEN CANADIAN RADIO BROADCASTERS IN BRITISH COLUMBIA ARE SEEING A LOSS OF BUSINESS. IF THESE REPORTS PROVE ACCURATE, THE BRITISH COLUMBIA MARKET MAY BE A PRIME CANDIDATE FOR SOME NEW CANADIAN RESTRICTIVE ACTION WHEN THE RESULTS OF THE C-58 STUDY ARE IN AND ANALYZED. ENDERS

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## Message Attributes

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